



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

June 5, 2007

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

The Department of Finance (Finance) proposed a reasonable reimbursement methodology for the Peace Officers Procedural Bill of Rights (POBOR) mandate on January 12, 2007. All parties agreed to withhold comments pending additional claiming data and audit reports. Based on our review of that information we are not amending our January proposal. If, before the Commission hearing on this issue, additional data become available supporting an adjustment to the per-officer amount, we may recommend an adjustment to the per-officer amount during the Commission hearing.

Finance proposes to reimburse each eligible local agency at the rate of \$56.74 per officer employed by the agency. This rate was determined by an analysis of 2004-05 POBOR claims data. First, the per-officer rate for each claimant was calculated (total amount claimed divided by the number of officers employed by each agency). Pursuant to reviews conducted by the State Controller's Office (Controller) revealing that at least 75 percent of POBOR claims were unsubstantiated, we then reduced each agency's per-officer rate by 75 percent. The median of the reduced per-officer rates was calculated to be \$56.74.

The proposed reimbursement rate would then be adjusted after the Controller has completed one year of audits of all POBOR claims. The adjusted rate would be the median of all claimants' per-officer rates, which would be calculated by dividing the costs deemed to be reimbursable by the Controller by the number of officers employed by each agency. The rate would be adjusted again each year until three years of audits have been completed by the Controller. The reimbursement rate also would be adjusted by the implicit price deflator each year.

As required by the Commission's regulations, we are submitting an Adobe Acrobat PDF file reflecting these comments.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

Thomas E. Dithridge
Program Budget Manager

Attachments

Attachment A

DECLARATION OF CARLA CASTAÑEDA
DEPARTMENT OF FINANCE
CLAIM NO. CSM--CSM-4499

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

June 5, 2007

at Sacramento, CA

Carla Castañeda

Carla Castañeda

PROOF OF SERVICE

Test Claim Name: Peace Officers Procedural Bill of Rights
Test Claim Number: CSM-4499

I, Ann Slaughter, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12th Floor, Sacramento, CA 95814.

On June 5, 2007, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by forwarding a PDF file in place of a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Mr. Leonard Kaye, Esq.
County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Mr. Jerry Camous
Sacramento Police Officers Association
2014 Capitol Ave., Suite 109
Sacramento, CA 95814

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Mr. Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816

Mr. Mark Sigman
Riverside County Sheriff's Office
4095 Lemon Street
P.O. Box 512
Riverside, CA 92502

Mr. David Wellhouse
David Wellhouse & Associates, Inc.
9175 Kiefer Blvd., Suite 121
Sacramento, CA 95826

A-15
Ms. Jeannie Oropeza
Department of Finance
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

Ms. Dee Contreras
Office of Labor Relations
City of Sacramento
915 I Street, 4 Floor - Room 4133
Sacramento, CA 95814-2604

Mr. Allan Burdick
MAXIMUS
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

Ms. Annette Chin
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

B-08
Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

E-09
Ms. Elise Rose
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Mr. Steve Smith
Steve Smith Enterprises, Inc.
4633 Whitney Avenue, Suite A
Sacramento, CA 95821

Mr. Glen Everroad
City of Newport Beach
3300 Newport Blvd.
P.O. Box 1768
Newport Beach, CA 92659-1768

A-15
Ms. Donna Ferebee
Department of Finance
915 L Street, 12th Floor
Sacramento, CA 95814

A-15
Ms. Susan Geanacou
Department of Finance
915 L Street, 12th Floor
Sacramento, CA 95814

Ms. Harmeet Bakschat
Mandate Resource Services
5325 Elkhorn Blvd. #307
Sacramento, CA 95842

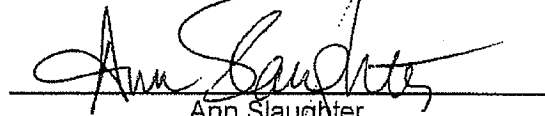
Mr. J. Bradley Burgess
Public Resources Management Group
1380 Lead Hill Boulevard, Suite #106
Roseville, CA 95661

Mr. Jim Jagers
P.O. Box 1993
Carmichael, CA 95609

A-15
Ms. Carla Castaneda
Department of Finance
915 L Street, 12th Floor
Sacramento, CA 95814

A-15
Ms. Carla Shelton
Department of Finance
915 L Street, 12th Floor
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on June 5, 2007, at Sacramento, California.


Ann Slaughter